

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7497

Petition of Comcast of Connecticut/Georgia/Massachusetts/)
New Hampshire/New York/North Carolina/Virginia/)
Vermont, LLC, in re: investigation into Regional Education)
Television Network's alleged failure to meet contractual and)
regulatory obligations as an Access Management)
Organization)

Order entered: 12/9/2009

HEARING OFFICER'S REPORT AND RECOMMENDATION

This Docket concerns a dispute between Comcast of Connecticut/Georgia/Massachusetts/New Hampshire/New York/North Carolina/Virginia/Vermont, LLC ("Comcast"), and Regional Education Television Network ("RETN"), an Access Management Organization ("AMO"). Comcast alleged that RETN had failed to properly carry out its functions as one of Comcast's AMOs in Chittenden County. After several months of negotiations, on September 30, 2009, all the parties to this Docket (including the Vermont Department of Public Service) filed a Stipulation of Dismissal (the "Stipulation"), which lays out the resolution that has been reached among them. The Stipulation also asks that the Public Service Board ("Board") approve the Stipulation in its entirety and enter an order of dismissal in this proceeding.

The following is the text of the agreement contained in the Stipulation:

1. On January 23, 2009, Comcast filed a Petition with the Vermont Public Service Board alleging, among other things, that RETN had failed to perform properly as an Access Management Organization pursuant to PSB Rules 8.400 et. seq. by failing to manage its funds in a manner consistent with the public nature of those funds, and failing to adhere to reasonable standards of corporate governance.
2. RETN generally denied the allegations in the Comcast Petition.

3. Comcast sought a financial audit of RETN consistent with PSB Rule 8.422(N) from 2006 up through the present.

4. RETN fully cooperated with the audit of its finances and committed additional internal resources to reconciling its financial situation. As a result of this work, the financial condition of RETN was reconciled.

5. RETN voluntarily implemented enhanced financial oversight and agreed to additional recommendations to ensure adequate internal controls and timely financial reports. As a result of the audit, enhanced internal controls and reporting improvements already implemented by RETN, Comcast and RETN agreed to pursue settlement of all issues related to PSB Docket 7497.

6. On September 30, 2009, Comcast and RETN are executing a new agreement (the "Agreement") for RETN to continue operating as the Access Management Organization for the Service Territory served by the Williston headend through September 30, 2014.

7. Comcast and RETN further agreed in a letter dated September 29, 2009 from Comcast to RETN regarding Docket 7497 (the "Side Agreement") that RETN will provide an assessment of the financial impacts to its organization by virtue of its shared facilities with another Burlington AMO.

8. Comcast and RETN further agree that the Agreement and Side Agreement replace and supersede the following documents and/or agreements reached by and between Comcast and RETN:

- a. the RETN North Agreement dated January 20, 2003 by and between RETN and Mountain Cable Company (predecessor in interest to Comcast);
- b. the RETN South Agreement dated January 20, 2003 by and between RETN and Mountain Cable Company (predecessor in interest to Comcast);
- c. the Stipulation of Comcast and RETN dated February 27, 2009;
- d. the Memorandum of Understanding entered into by and between RETN and Comcast effective July 2, 2009; and
- e. the agreements by and between Comcast, RETN and DPS resulting from certain status conferences held before the Vermont Public Service Board in connection with PSB Docket

7497 on the following dates in 2009: February 23, May 14, July 22 and September 10.

9. The Agreement and Side Agreement resolve all disputes between Comcast and RETN but are contingent upon approval of the present Stipulation of Dismissal by the Vermont Public Service Board.

10. DPS has reviewed the Agreement and Side Agreement and agrees that they contain sufficient safeguards to ensure adequate long term financial management of the funds RETN receives from Comcast video subscribers.

11. As a result of the Agreement, the Side Agreement and the consensus reached at a July 2, 2009 meeting between the Parties and subsequent meetings between Comcast and RETN, the Parties agree their mutual interests would be best served by dismissal of this action by stipulation pursuant to Rule 41(a)(1) of the Vermont Rules of Civil Procedure.

12. Following execution of the present Stipulation of Dismissal, the Agreement will be filed with the Vermont Public Service Board and DPS, pursuant to Docket 7077, Certificate of Public Good, Condition 27.

13. In the event that the present Stipulation of Dismissal is not approved by the Vermont Public Service Board, the Parties have agreed that they shall have all rights and be able to pursue all claims and remedies otherwise available to them at law before the Public Service Board or in any other available venue.

The terms of the Stipulation appear to be both reasonable and fair. I therefore recommend that the Board accept the terms of the Stipulation as filed and dismiss this proceeding.

This Proposal for Decision has not been served on the parties to this proceeding in accordance with 3 V.S.A. § 811, as it is not contrary to the interest of any party.

Dated at Montpelier, Vermont, this 7th day of December, 2009.

s/John P. Bentley

John P. Bentley, Esq.
Hearing Officer

ORDER

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED by the Public Service Board of the State of Vermont that:

1. The recommendation of the Hearing Officer is accepted.
2. The terms of the Stipulation of Dismissal are hereby approved.
3. This proceeding is dismissed.
4. This docket shall be closed.

Dated at Montpelier, Vermont, this 9th day of December, 2009.

<u>s/James Volz</u>)	
)	PUBLIC SERVICE
)	
<u>s/David C. Coen</u>)	BOARD
)	
)	OF VERMONT
<u>s/John D. Burke</u>)	

OFFICE OF THE CLERK

FILED: December 9, 2009

ATTEST: s/Susan M. Hudson
Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.